

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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FRANKLIN CREDIT MANAGEMENT
CORPORATION,

Plaintiff,

- against -

AMERICAN MORTGAGE SPECIALISTS, INC.

Defendant.
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:
Case No. 08 CV 1703 (SAS)

: **ANSWER**

Defendant, American Mortgage Specialists, Inc., by its attorneys, Ingram Yuzek Gainen
Carroll & Bertolotti, LLP, for its answer to the Complaint herein alleges:

FIRST DEFENSE

1. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 1, 3, 10, 17 and 23 of the Complaint.
2. Denies the allegations contained in paragraph 2 of the Complaint, except admits that American Mortgage Specialists, Inc. is an Arizona corporation.
3. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 8, 9, 28, 29, 34 and 35 of the Complaint, except to the extent said allegations refer to the contents of a written document and respectfully refer the Court to said document for a complete statement of its terms and conditions.
4. Denies the allegations contained in paragraphs 11 and 12 of the Complaint, except admits that American Mortgage Specialists, Inc. has not re-purchased any mortgage loans from Plaintiff and alleges that it has no obligation to repurchase any such loan.
5. Denies the allegations contained in paragraphs 7, 13, 14, 18, 19, 20, 24, 25, 26, 30, 31, 32, 36 and 37 of the Complaint.

6. With respect to the allegations contained in paragraphs 15, 21, 27 and 33 of the Complaint, repeats and re-alleges the allegations contained herein responsive to the paragraphs referred to therein.

SECOND DEFENSE

7. The Complaint fails to state a claim upon which relief can be granted.

THIRD DEFENSE

8. The claims asserted in the Complaint are barred by laches in that plaintiff failed to promptly exercise any rights under the applicable agreements and defendant was prejudiced by plaintiff's delay in exercising said rights.

FOURTH DEFENSE

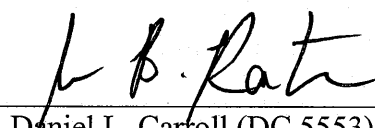
9. Plaintiff has waived any rights to require defendant to repurchase any loans under the applicable agreements by reason of its failure to give defendant timely notice of its intention to exercise such rights.

WHEREFORE, defendant American Mortgage Specialists, Inc. demands judgment dismissing the complaint and granting such other and further relief as the Court deems just and proper.

Dated: New York, New York
April 8, 2008

**INGRAM YUZEK GAINEN CARROLL &
BERTOLOTTI, LLP**

By: _____


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